

## KANSAS RACING AND GAMING COMMISSION

### MINUTES – NOVEMBER 15, 2019

#### CALL TO ORDER (A.)

Chairman Brandon Jones called the November 15, 2019 meeting to order at 10:00 a.m. The meeting was held in the East Tower Conference Room of the Eisenhower State Office Building, 700 SW Harrison, in Topeka, KS. Commissioners David Moses, Kelly Kultala, Larry Turnquist, and Dave Myres were also present. Others present included Executive Director Don Brownlee, General Counsel Judith Taylor, Director of Administration, Audit, and Finance Brandi White, Director of Electronic Security and I.T. Dennis Bachman, Director of Electronic Gaming Roger Bailey, Director of Security Joe Herridge, Recording Secretary Sarah Lynch-Chaput, and other staff.

#### MOTION, APPROVE AGENDA (B.)

Commissioner Turnquist (Myres) moved to approve the agenda. Motion carried unanimously.

#### MOTION, APPROVE OCTOBER 18, 2019 MEETING MINUTES (C.1.)

Commissioner Myres (Turnquist) moved to approve the minutes of the October 18, 2019 meeting. Commissioner Moses abstained. The motion otherwise carried unanimously.

#### MOTION, APPROVE CONSENT AGENDA (D.)

Commissioner Moses (Kultala) moved to approve the consent agenda. Motion carried unanimously.

#### LOTTERY GAMING FACILITY REPORTS/ITEMS; BOOT HILL CASINO & RESORT (E.1.a.)

Diane Giardine, General Manager, reported:

- October 2019 revenue numbers compared to October 2018:
  - Total gaming revenue decreased 1.61%
  - Total slot revenue decreased 0.37%
  - Table games revenue decreased 11.75%
- Upcoming Promotions and Events:
  - Earn & Eat Mondays
  - Lucky 7's Hot Seat Fridays
  - Points for Pasta
  - Earn and Win Amazon Gift Cards
  - Cam Am Giveaway
  - Mannheim Steamroller, November 25<sup>th</sup>
  - Tracy Lawrence & Justin Moore, January 16<sup>th</sup>



LOTTERY GAMING  
FACILITY  
REPORTS/ITEMS; KANSAS  
STAR  
(E.2.a.)

Jeff Babinski, Vice President and General Manager, reported:

- October 2019 revenue numbers compared to October 2018:
  - Admissions up 2.3%
  - Total gross gaming revenue up 7.4%
  - Slot coin-in up 3.1%
  - Slot hold up 0.39 points
  - Table games drop up 15.7%
  - Table games hold down 2.0 points
  - Poker room revenue up 22.7%
- Past Events and Promotions:
  - Evolution Fighting Championship, October 19<sup>th</sup>
  - Kansas Tourism Conference, October 21<sup>st</sup> – 23<sup>rd</sup>
  - Wichita Flea Market, October 26<sup>th</sup> and 27<sup>th</sup>
  - Kansas Sheriff's Association Conference, November 5<sup>th</sup> – 7<sup>th</sup>
  - Asian Variety Show, November 10<sup>th</sup>
  - Alzheimer's Association Conference, November 13<sup>th</sup> and 14<sup>th</sup>
- Upcoming Events and Promotions:
  - National Finals Steer Roping, November 21<sup>st</sup> – 23<sup>rd</sup>
  - Wichita Flea Market, November 30<sup>th</sup> and December 1<sup>st</sup>
  - Wichita Farm Show, December 5<sup>th</sup> – 7<sup>th</sup>
  - Charlie Daniels Band, December 12<sup>th</sup>
  - Wichita Flea Market, December 21<sup>st</sup> and 22<sup>nd</sup>
  - New Year's Eve with Parmalee, December 31<sup>st</sup>

LOTTERY GAMING  
FACILITY  
REPORTS/ITEMS;  
HOLLYWOOD CASINO AT  
KANSAS SPEEDWAY  
(E.3.a.)

Al Thompson, Vice President of Casino Operations, reported:

- October 2019 revenue numbers compared to October 2018:
  - Admissions up 1.5%
  - Total gaming revenue was \$12.4 million, an increase of 4.2%
  - Table games revenue was \$1.5 million, an increase of 12.0%
  - Slot revenue was \$10.9 million, an increase of 3.3%
- Past Events and Promotions:
  - NASCAR weekend at Kansas Speedway, October 18<sup>th</sup> – 20<sup>th</sup>
  - Hollywood Casino 400 Giveaway - \$75K, October 18<sup>th</sup>
  - Party on the Patio, October 20<sup>th</sup>
  - Pick, Pull, & Win - \$250,000, November 2<sup>nd</sup>



LOTTERY GAMING  
FACILITY  
REPORTS/ITEMS; KANSAS  
CROSSING CASINO  
(E.4.a.)

- Cuisinart Giveaways, November 9<sup>th</sup> and 16<sup>th</sup>
- Upcoming Events and Promotions:
  - Fridays in November – Winning Hand Promotion
  - Tippins Pie Giveaway, November 27<sup>th</sup>
  - Topys's Giveaway, December 6<sup>th</sup>
  - Drop and Win Promotion, December 13<sup>th</sup>
  - Raid the Workshop Giveaway, December 14<sup>th</sup>

Jeff McKain, Assistant General Manager, reported:

- October 2019 revenue numbers compared to October 2019:
  - Admissions increased 10.6%
  - Net slot revenue increased 17.7%
  - Net table games win increased 4.1%
  - Net gaming revenue increased 17.1%
- Past Events and Promotions:
  - Hinder, October 5<sup>th</sup>
  - Fall Festival, October 11<sup>th</sup> and 12<sup>th</sup>
  - Skid Row, Rock Band, October 19<sup>th</sup>
  - Bank Account Bonanza, October 26<sup>th</sup>
  - Wednesdays in October – Camp 49 Events
  - Thursdays in October – Slot Tournaments
  - Fridays in October - \$500 Crossing Cash Drawing
  - Saturdays in October – Invited Guests Received Kitchen Gift
- Upcoming Events and Promotions:
  - Jason Boland and the Stragglers, November 9<sup>th</sup>
  - Josh Abbott Band, November 16<sup>th</sup>
  - Dueling Pianos, November 22<sup>nd</sup> and 23<sup>rd</sup>
  - Bank Account Bonanza, November 23<sup>rd</sup>
  - Bills, Bills, Bills Event – November 29<sup>th</sup>
  - Gene Watson, December 6<sup>th</sup>
  - Holiday Rock Hits with Crawford County Philharmonic, December 14<sup>th</sup>

COMMISSION ITEMS –  
OLD BUSINESS  
(F.)

There were no old business items.

COMMISSION ITEMS –  
NEW BUSINESS  
(G.)

There were no new business items.



PUBLIC COMMENTS  
(H.)

There were no public comments.

STAFF REPORTS  
(I.1.a. and I.2)

Sarah Lynch-Chaput, Paralegal, reported on the Voluntary Exclusion Program statistics for the month of October 2019.

Executive Director Brownlee reported:

- The firearm regulation the commission previously approved is continuing to move through the state regulation approval process. It is scheduled to be heard by the Joint Committee on Rules and Regulations on November 20, 2019 and a public hearing is scheduled in our office on January 7, 2020.
- Colorado narrowly passed a ballot issue to legalize sports betting onsite and online through existing Colorado casinos.
- In Oklahoma, the tribes that operate the casinos believe that their compacts with the state automatically renew, while the Oklahoma governor has taken the position that they expire at the end of the year. The governor and tribes have had ongoing conversations to try to resolve the issue.
- Kansas Crossing Casino recently surpassed the \$1,000,000 milestone in donations to the Crawford County Career and Technical Center.
- The December 13, 2019 commission meeting will take place in Topeka at 10:00 a.m.

MOTION, EXECUTIVE  
SESSION; ATTORNEY-  
CLIENT PRIVILEGE,  
CONFIDENTIAL FACILITY  
MANAGER FINANCIAL  
INFORMATION, AND  
BACKGROUND REPORTS  
(J.1, J.2, and J.3.)

Commissioner Myres (Kultala) moved that the Commission go into executive session for the purpose of (1) confidential attorney-client privileged communications; (2) discussing confidential facility manager financial information related to Boyd Gaming Corporation; and (3) reviewing the list of confidential backgrounds for licensing. In addition to the commissioners, those included in the executive sessions were the executive director and general counsel for attorney-client privilege; the executive director, general counsel, KRGC audit staff, and Boyd Gaming corporate representatives for the confidential facility manager financial information portion; and the commissioners, executive director, general counsel, director of security, and DJ Lopez, Supervising Enforcement Agent, for reviewing the list of confidential backgrounds for licensing. The total time for the executive session was



anticipated to be sixty minutes until 11:35 a.m. No action is to be taken in executive session, and the subjects discussed are to be limited as previously described. A full record of this motion is to be maintained as part of the permanent record of the Kansas Racing and Gaming Commission. At the conclusion of the executive session, the meeting is to be continued in open session. The motion carried unanimously and the meeting was adjourned to executive session at 10:35 a.m.

RECONVENE

The commission meeting returned to open session at 11:35 a.m. with all members present.

MOTION, EXTEND  
EXECUTIVE SESSION;  
CONFIDENTIAL FACILITY  
MANAGER FINANCIAL  
INFORMATION AND  
BACKGROUND REPORTS  
(J.2 AND J.3)

Commissioner Myres (Turnquist) moved that the Commission extend the previous executive session for the purpose of (1) finishing discussing the confidential facility manager financial information related to Boyd Gaming Corporation and (2) reviewing the list of confidential backgrounds for licensing. In addition to the commissioners, those included in the executive sessions were the executive director, general counsel, KRGC audit staff, and Boyd Gaming corporate representatives for the confidential facility manager financial information portion; and the executive director, general counsel, director of security, and DJ Lopez, Supervising Enforcement Agent for reviewing the list of confidential backgrounds for licensing. The total additional time was anticipated to be forty minutes until 12:15 p.m. No action is to be taken in executive session, and the subjects discussed are to be limited as previously described. A full record of this motion is to be maintained as part of the permanent record of the Kansas Racing and Gaming Commission. At the conclusion of the executive session, the meeting is to be continued in open session. The motion carried unanimously and the meeting was adjourned back into executive session at 11:36 a.m.

RECONVENE

The commission meeting returned to open session at 12:15 p.m. with all members present.

MOTIONS ON LICENSE  
APPLICATIONS  
(K.)

Commissioner Turnquist (Moses) moved to *deny* two license applications, *conditionally approve* seven certificate applications, *approve the request for reconsideration* of one license, *conditionally approve* two license applications, and *approve* the remaining 224 license applications from the November 15, 2019 list of background reports referred to the commission for action. Commissioner Moses



abstained from voting on licensee Peter Grant. The motion otherwise carried unanimously.

MOTION, BOYD GAMING  
REFINANCING APPROVAL

Commissioner Kultata (Turnquist) moved that the commission approve step one of the refinancing of Boyd Gaming with the amendment to add the language from the Bank of America letter into the mortgage document; and for approval of step two to go through the executive director. Motion carried unanimously. Commissioner Moses thanked Boyd Gaming for making the presentation as well as providing supporting documents and additional information to help the commission understand what they were doing and why.

VOLUNTARY EXCLUSION  
PROGRAM APPEAL ON  
LIFETIME REMOVAL  
DENIAL

Judith Taylor, General Counsel, provided information on VEP K00760's request for an untimely appeal on the denial of removal from the lifetime voluntary exclusion program.

MOTION, VOLUNATRY  
EXCLUSION PROGRAM  
REQUEST

Commissioner Turnquist (Myres) moved that the commission deny VEP K00760's request to appeal the executive director's decision of December 4, 2017. The VEP is not prohibited from petitioning the executive director for removal from the VEP program in the future. Motion carried unanimously.

ADJOURN  
(L.)

Commissioner Kultala (Moses) moved to adjourn the meeting. Motion carried unanimously. The meeting was adjourned at 12:22 p.m.

SUBMITTED BY:



Larry Turnquist  
Secretary

APPROVED BY:



Brandon Jones  
Chairman